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December 2, 2010

Marlene Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

Re: Reexamination of Roaming Obligations of Commercial Mobile Radio Service Providers and Other Providers of Mobile Data Services, WT Docket No. 05-265; Notice of Ex Parte Communications

Dear Ms. Dortch:

This submission follows up an *ex parte* meeting on November 19, 2010 between representatives of Bright House Networks (BHN) and members of the Wireless Telecommunications Bureau. During the meeting, BHN representatives expressed the need for data roaming as it considers expanding its investment in wireless services in areas where it currently provides advanced video, broadband and voice services. BHN also emphasized the concomitant need for FCC regulations to ensure that wholesale data roaming rates offered by host providers are not unreasonable.

The attached affidavit of Mr. Leo Cloutier, BHN's Senior Vice President Strategy & Business Development, provides greater detail on how a data roaming rule along the lines outlined above can lead to substantial investment by a wireless newcomer like BHN, including creation of jobs necessary to carry out the company's wireless business strategy.

These salutary results, in private investment and job creation, will be the direct consequence of the Commission's adoption of rules establishing and governing data roaming obligations. It will spur entry in the communities served by BHN that can lead to greater choice in wireless mobility for its customers.

If you should have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

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## AFFIDAVIT OF LEO CLOUTIER

- My name is Leo Cloutier. I am Senior Vice President, Strategy & Business Development, for Bright House Networks ("BHN"). I have a MS in Electrical Engineering from The John Hopkins University and a BS in Electrical Engineering from the University of Massachusetts.
- 2. BHN, a privately-held enterprise, is the sixth largest cable multiple system operator with services in Florida, Alabama, California, Indiana, and Michigan. BHN serves more than 2.4 million customers who subscribe to one or more of its video, high-speed data and voice services. The company also offers a full suite of commercial services such as phone, broadband, advanced video, and dedicated fiber services to businesses of all sizes.
- 3. BHN has been an innovator in every one of its business segments. It was an early investor in innovative cable networks like Discovery Communications. It launched the first local 24-hour news channels in Florida and has offered new innovative services such as "Start Over" to video customers throughout its footprint. It has consistently been ranked among the highest in customer satisfaction for its cable modem and voice service by J.D. Power & Associates. Its voice service received rapid and widespread consumer acceptance. Today BHN is one of largest providers of landline voice service in Florida, the state where it has its largest presence.
- 4. I have worked with BHN since 2003. My job is to evaluate business opportunities for the company, with an emphasis on entry into new markets. I was responsible for the business planning of BHN's entry into the voice business and for the creation of BHN's affiliated competitive local exchange carrier.
- Since 2003, over 2,500 jobs have been created in BHN markets to service the voice, data, and video businesses. Many of these positions permit job seekers to compete for entry level positions holding realistic prospects for advancement in the company.
- 6. I am directing BHN's efforts in the development and implementation of the company's wireless service strategy. I managed BHN's participation in Spectrum Co, a joint venture between four of the nation's largest cable MSO's, and its successful \$2.4 billion bid in the FCC's 2006 Advanced Wireless Services (AWS) auction. I guided BHN's investment in Clearwire's advanced WiMax broadband network, and I led the BHN bidding team in the FCC's 700 MHz auction in 2008.

- 7. These investments evidence BHN's affirmative desire to enter and provide industry leadership in wireless services to customers. This strategy is consistent with our customer relationships and our company resources. BHN's existing wireline plant gives the company backhaul capability. The company is experienced and successful in selling advanced video, broadband and voice services to residential and commercial customers. Our know-how and commitment has allowed BHN to vie successfully against the nation's largest incumbent phone providers, who compete in each of our product markets.
- 8. I believe BHN's entry into wireless data service would quickly produce private investment by the company of a minimum of several hundred million dollars in capital expenditures, new jobs, investments in intellectual property, and other economic activity. These investments would be centered in the markets in which we operate. I understand there is considerable appeal for these types of investments in the communities we serve. It's my experience that in rolling out these types of investments in the advanced video, broadband and voice businesses, BHN has created good-paying, sustainable jobs in the communities where we deploy new services.
- 9. In evaluating BHN's prospects for a more direct, targeted entry into wireless beyond our current investments, I concluded that in order to successfully enter, we need the FCC to mandate wireless data roaming and adopt rules governing reasonable access to the service. Without such rules, entrants like BHN cannot provide the broad regional or national coverage customers expect from a retail wireless service. Even though we anticipate BHN customers will use our owned and operated in-region facilities for the vast majority of their wireless needs, there will be instances where customers will want to use BHN's service in areas where we do not operate a wireless network.
- 10.1 believe access to wireless data roaming on reasonable terms will cause BHN to invest more, not less in our own facilities. Contrary to the view of the largest incumbent wireless carriers, I do not believe access to wireless data roaming on reasonable terms would hinder investment. Instead, it would encourage investment by new entrants and local or regional operators such as BHN. My experience reviewing the effect of roaming on the voice market confirms this view: Roaming did not and has not led companies to stop capital expenditures but instead has caused investment from all facilities-based companies to continue with greater effectiveness. Roaming is thus the key to further investment by new entrants. BHN's goal is to be a leading regional and local service provider. But we cannot offer excellent regional and local service without being able to also serve customers when they leave the BHN regional footprint.

- 11. The FCC rules must provide the right to purchase wholesale roaming from other providers (along with the obligation to allow other competitors to purchase roaming from BHN). The rules must also create a backstop definition of a "reasonable charge" for wireless data roaming. In previous filings in this docket, BHN has offered suggestions on how to establish a presumption about whether a data roaming rate is unreasonable. Based on my experience, it is very difficult if not impossible to enter the wireless market and build the towers and business infrastructure, and only then determine what roaming rates will exist from the largest carriers, who will have no incentive to promote BHN's market entry. The difficulty is compounded because the company hosting the roaming traffic may well be a direct competitor for BHN's wireline products in our home markets and would have additional incentive to decline to offer reasonable roaming rates. For this reason, BHN needs both the right to data roaming and an enforceable process to determine whether a rate is unreasonable.
- 12. If BHN enters the wireless market, which I believe it can do with appropriate roaming rules in place, the company will create numerous good paying jobs to design, build, and run a wireless network. This is based on my forecast that new staff will be needed to: Design and build cell sites; define and manage engineering functions on the networks; staff customer care centers; market and sell services, either as standalone or in combination with BHN's existing suite of services; and develop new products and applications allowing BHN to differentiate its service.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 30, 2010

Leo Cloutier